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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte CHARLES ELDERING

Appeal 2009-000502
Application 09/857,257
Technology Center 1700

Decided: [1] July 13, 2009

Before MURRIEL E. CRAWFORD, ANTON W. FETTING, and JOSEPH A. FISCHETTI, *Administrative Patent Judges.*

FETTING, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

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[1] The two month time period for filing an appeal or commencing a civil action, as recited in 37 CFR § 1.304, begins to run from the decided date shown on this page of the decision. The time period does not run from the Mail Date (paper delivery) or Notification Date (electronic delivery).

Charles Eldering (Appellant) seeks review under 35 U.S.C. § 134 of a final rejection of claims 1-9, 47-76, 78-80, the only claims pending in the application on appeal. The Appellant presented oral arguments at a hearing on June 23, 2009.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION[2]

We AFFIRM.

THE INVENTION

The Appellant invented a way for auctioning advertisement opportunities based on the correlation of an advertisement with a consumer profile. This can be used for the auctioning of advertisements which are delivered as part of broadcast video programming, printed material such as magazines and periodicals, or as part of web site pages. This is done over a networked computer environment, with notification of an advertising opportunity presented as an advertiser, who transmits an advertisement characterization to determine the propriety of the advertisement to consumers. This determination, in the form of a correlation factor, is transmitted to the advertiser who can subsequently place a bid for the advertisement opportunity. Upon acceptance of the bid the advertisement is delivered to the content/opportunity provider who delivers the ad to the consumer. The advertisement characterization may be in the form of an ad characterization

[2] Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed November 30, 2007) and Reply Brief ("Reply Br.," filed April 18, 2008), and the Examiner's Answer ("Ans.," mailed February 21, 2008), and Final Rejection ("Final Rej.," mailed April 5, 2007).

vector, and the consumer characterization is in the form of a consumer characterization vector, with the correlation factor being calculated as the scalar product between the ad characterization vector and the consumer characterization vector. (Spec. 4:16 - 5:9).

An understanding of the invention can be derived from a reading of exemplary claim 1, which is reproduced below [bracketed matter and some paragraphing added].

> 1. In a networked environment having a plurality of computer systems interconnected for the purpose of transmitting and receiving data, a method for auctioning an advertisement opportunity, said method comprising
>
> (a) providing notification of an advertisement opportunity from a content/opportunity provider computer system,
>
> wherein said advertisement opportunity corresponds to an opportunity to transmit an advertisement to a consumer;
>
> (b) receiving an advertisement characterization from an advertiser computer system,
>
> wherein said advertisement characterization corresponds to an advertisement;
>
> (c) calculating a correlation factor
>
> between said advertisement characterization and said consumer in a profiler computer system;
>
> (d) transmitting said correlation factor
>
> to said advertiser computer system
>
> prior to receiving a bid for said advertisement opportunity from said advertiser computer system; and
>
> (e) receiving a successful bid for said advertisement opportunity
>
> at said content/opportunity provider computer system,

wherein said successful bid results in the transmission of said advertisement to said consumer in said advertisement opportunity.

THE REJECTIONS

The Examiner relies upon the following prior art:

Fisher	US 5,835,896	Nov. 10, 1998
Feezell	US 6,253,189 B1	Jun. 26, 2001
Kramer	US 6,327,574 B1	Dec. 4, 2001

Claims 1-8, 47-76, and 78-80 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claim 9 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

ARGUMENTS

Claims 1-8, 47-76, and 78-80 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claims 1-8, 47-51, 71-76, and 78-80

The Appellant argues these claims as a group. Accordingly, we select claim 1 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Appellant contends that Feezell in view of Kramer does not teach or suggest "transmitting said correlation factor to said advertiser computer system prior to receiving a bid for said advertisement opportunity from said advertiser computer system; and receiving a successful bid for said advertisement opportunity at said content/opportunity provider computer system, wherein said successful bid results in the transmission of said advertisement to said consumer in said

advertisement opportunity." (App. Br. 13). The Appellant argues that (1) the correlation factor is not transmitted prior to receiving a bid (App. Br. 14); (2) Feezell does not teach an advertisement characterization (App. Br. 15); (3) information transmitted by Feezell is not a comparison of a consumer and an advertisement characterization (App. Br. 16); (4) Feezell does not receive an advertisement characterization (App. Br. 17); and (5) there is no motivation to combine the references and the proposed combination changes the principle of operation of the primary reference (App. Br. 18).

Claims 52-56 and 58

We select claim 52 as representative of this group. Claim 52 is an independent claim similar in scope to claim 1, but requires that the successful bid is received in response to said correlation factor being transmitted to said advertiser computer system for said advertisement opportunity and results in the transmission of said advertisement to said consumer in said advertisement opportunity. The Appellant argues that the proposed combination does not teach or suggest that a "successful bid is received in response to said correlation factor being transmitted." (App. Br. 19).

Claim 57

The Appellant argues that the Examiner does not explain how valuation data is equivalent to a correlation factor or how the bid in Feezell depends on the valuation data. (App. Br. 20).

Claims 63-70

We select claim 63 as representative of this group. Claim 63 is an independent claim similar in scope to claim 1, but requires that the bid be based on the

correlation factor. The Appellant argues that Feezell does not state that the bid is based on the correlation factor. (App. Br. 21).

Claim 9 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

The Appellant argues for the patentability of claim 9 on the basis of its arguments supporting the parent claims to claim 9. (App. Br. 21-22).

ISSUES

The issue of whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer turns on the above enumerated arguments.

The issue of whether the Appellant has sustained its burden of showing that the Examiner erred in rejecting claim 9 under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher turns on the arguments in support of the parent claims.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Feezell

01. Feezell is directed to trading advertising time slots for programs displayed to viewers, delivering advertising content to broadcasters, and settling accounts between parties to a transaction. (Feezell 1:5-8).

02. In Feezell, a time slot offer is received from a seller, and Feezell makes time slot marketing valuation data available to the buyer. Then a

bid is received from a buyer. The bid includes a bid price. (Feezell 3:1-20).

03. An advertising opportunity in the form of a time slot offer is sent to Feezell's system, and is stored in a database. The opportunity record includes the title of the program including both the series name and the episode name. (Feezell 5:8–35).

04. A program id is *correlated* to other data sets stored on database, such as marketing and valuation data that assist the seller and/or buyer to value a time slot, and helps the buyer to determine important viewership properties of the time slot. The date and time at which the program in which the time slot occurs and the broadcaster id are also included in the data. The broadcaster id can be *correlated* to a broadcaster marketing and valuation data set that provides information on the geographical footprint of a broadcaster, the demographics of the broadcaster's viewing area, the reliability with which the broadcaster has shown advertisements in contracted-for time slots, and the cost per thousand of showing an advertisement. (Feezell 5:8 – 6:8).

05. A buyer of advertising, i.e. an advertiser, from the advertiser's computer, searches for suitable time slots by entering a geographic area; demographic requirements; and the cost willing to pay. The buyer also enters criteria including date and time of broadcast, program name, program id, broadcaster, and other fields. (Feezell 6:66 – 7:9).

Kramer

06. Kramer is directed to the creation and maintenance of models of consumers, based upon transactional data extracted from structured

information viewed by the consumer, for presenting targeted content, such as advertising or special offers, without compromising the consumer's privacy. (Kramer 1:15-21).

07. The basis for Kramer's model is a choice of characteristic values which together form a model of a given consumer or product at a given time. The characteristic values are represented as a vector of real numbers where each value measures the degree to which the corresponding characteristic applies to the consumer or product. (Kramer 10:51 – 11:3).

Facts Related To The Level Of Skill In The Art

08. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent arts of systems analysis and programming, advertising and promotion, and systems designed to manage and promote advertising. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) ("[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown'") (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

09. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1369, (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted "in view of the specification" without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses to give terms uncommon meanings, the inventor must set out any uncommon definition in some manner within the patent disclosure so as to give one of ordinary skill in the art notice of the change).

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art." 35 U.S.C. § 103(a) (2000); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: "[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." 383 U.S. at 17. *See also KSR*, 550 U.S. at 406. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id.* at 416.

"When a work is available in one field of endeavor, design incentives and other market forces can prompt variations of it, either in the same field or a different one. If a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability." *Id.* at 417.

"For the same reason, if a technique has been used to improve one device, and a person of ordinary skill in the art would recognize that it would improve similar devices in the same way, using the technique is obvious unless its actual application is beyond his or her skill." *Id.*

"Under the correct analysis, any need or problem known in the field of endeavor at the time of invention and addressed by the patent can provide a reason for combining the elements in the manner claimed." *Id.* at 420.

ANALYSIS

Claims 1-8, 47-76, and 78-80 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

Claims 1-8, 47-51, 71-76, and 78-80

Basically, claim 1 recites a system for the bidding for advertising opportunities after notifying potential advertisers and receiving advertisement characterizations and then calculating and sending a correlation factor. The Examiner found that Feezell performs this sequence but transmits a valuation factor instead of a correlation factor, but further found that Kramer describes the desirability of giving advertisers correlation information. So the Examiner found one of ordinary skill would have found it predictable to send Kramer's correlation information along with Feezell's valuation information. (Ans. 3-4).

In Feezell, a prospective advertising opportunity if first sent in from the broadcaster, acting as a program content provider. (FF 03 & 04). Then a buyer retrieves valuation characteristics by searching Feezell's database. (FF 05). Then the buyer submits a bid. (FF 02). We find that apart from the specific characterization of the data recited in claim 1, Feezell describes the precise steps in the same sequence in claim 1 of providing notification of something, receiving information from another system, calculating some correlation and transmitting it to the system that received the data, and receiving a successful bid. Thus, the issues remaining and argued surround the particular data used.

The data recited in the claim does not alter the operation of the method. Thus, the data is non-functional and merely descriptive. Non-functional descriptive material cannot render nonobvious an invention that would have otherwise been obvious. *In re Ngai*, 367 F.3d 1336, 1339 (Fed. Cir. 2004). Cf. *In re Gulack*, 703

F.2d 1381, 1385 (Fed. Cir. 1983) (when descriptive material is not functionally related to the substrate, the descriptive material will not distinguish the invention from the prior art in terms of patentability). But we find the particular data employed in the prior art shows that the data claimed was at least predictable as well.

As to the first argument that the correlation factor is not transmitted prior to receiving a bid, the Appellant contends that Feezell does not send a correlation factor and that Feezell could not send such a factor in any event prior to the bid because no information is received from the advertiser upon which to derive such a factor (App. Br. 14). The Examiner responds that Feezell describes sending valuation data prior to the bid and Kramer is applied to describe sending correlation information. The Examiner found that the reason for sending correlation information paralleled that of Feezell's valuation information. (Ans. 25-26). We agree with the Examiner.

Feezell describes the value of including valuation data correlated to the advertizing opportunity. (FF 04). Kramer describes providing data correlating factors that relate to products such as with consumers. (FF 07). This data forms models used to target advertisements to consumers. (FF 06). Thus, Kramer describes the desirability of calculating a correlation factor between a product in an advertisement and a consumer. A product in an advertisement characterizes such an advertisement, and so Kramer's desirability extends to calculating a correlation factor between an advertisement characterization and a consumer. So, again, it is Kramer rather than Feezell that describes the predictability of sending such correlation data between an advertisement characterization and consumers although Feezell describes sending some form of correlation data for valuing such an advertisement. This finding also answers the Appellant's third argument

regarding the information transmitted by Feezelll being not a comparison of a consumer and an advertisement characterization.

As to Feezell's timing not sending information prior to the bid argued by the Appellant, we find that Feezell does indeed send valuation information prior to the bid. (FF 02). And because the correlation data in Kramer is known to be effective for valuing an advertisement, one of ordinary skill would have known to send Kramer's correlation with Feezell's valuation data prior to receiving a bid.

As to the second and fourth arguments that Feezell fails to receive an advertising characterization, again, this characterization is non-functional descriptive matter. But even accepting the characterization as deserving of patentable weight, the claim does not limit the manner in which the data that is received in limitation [2] characterizes an advertisement. Again, the advertisement may be prospective, and is therefore not necessarily even known as to content in the claim. Thus, the search query that is sent by the advertiser's computer system is such a characterization in that it characterizes the geographic area, demographic requirements and cost of the advertisement. (FF 05).

As to the fifth argument regarding lack of motivation to combine the prior art and changing Feezell's principle of operation, as we found *supra*, Kramer describes the desirability of adding consumer correlation information to Feezell's valuation data. Adding such correlation data would not change Feezell's operation given that Feezell describes transmitting valuation information prior to a bid in any event.

Claims 52-56 and 58

As to the argument regarding the bid in response to the correlation factor transmission, as we found *supra*, Feezell describes the successful bid being

received in response to valuation data being transmitted to said advertiser computer system for the advertisement opportunity. This results in the transmission of the advertisement to the consumer in the advertisement opportunity. Again, Kramer describes the predictability of appending its correlation factor data to such valuation data.

Claim 57

This is not so much an argument as a request for clarification as to how valuation data is equivalent to a correlation factor or how the bid in Feezelll depends on the valuation data. Again, Kramer describes the predictability of appending its correlation factor data to such valuation data. The bid in Feezell includes a bid price. (FF 02). A bid price must be based on what is bid upon is worth. The valuation data, which one of ordinary skill would have found predictable to append Kramer's customer correlation data to, is sent to provide the basis for determining this worth.

Claims 63-70

As to the argument that Feezell does not state that the bid is based on the correlation factor, again Feezell bases its bid on valuation data and one of ordinary skill would have found predictable to append Kramer's customer correlation data to Feezell's valuation data.

Claim 9 rejected under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

The Appellant arguments for the patentability of claim 9 on the basis of its arguments supporting the patentability of parent claims to claim 9 is accordingly unpersuasive for the same reasons found *supra*.

CONCLUSIONS OF LAW

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer.

The Appellant has not sustained its burden of showing that the Examiner erred in rejecting claim 9 under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher.

DECISION

To summarize, our decision is as follows:

- The rejection of claims 1-8, 47-76, and 78-80 under 35 U.S.C. § 103(a) as unpatentable over Feezell and Kramer is sustained.
- The rejection of claim 9 under 35 U.S.C. § 103(a) as unpatentable over Feezell, Kramer, and Fisher is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED

JRG

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